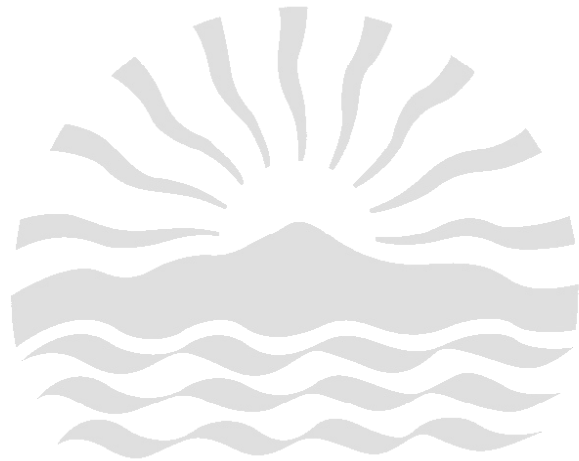


CITIZEN'S BUDGET GUIDE



CITY OF
CHULA VISTA

CITIZEN'S BUDGET GUIDE

Budget Process

The City of Chula Vista follows a biennial budget process whereby a two-year spending plan is adopted every other year, but appropriations continue to be made on an annual basis as required by City Charter. The primary motivation behind a biennial budget was Council's desire to place an emphasis on the integration of long-range planning, resource allocation, program monitoring and evaluation. An additional benefit of biennial budgeting is the significant reduction in staff time dedicated to budget preparation during the "off years" – time that can be redirected to other priorities.

The budget cycle begins with a public goal-setting workshop during which the City Council presents staff with its priorities for the coming fiscal years. Each department then reexamines its goals, objectives and performance measures in light of Council's spending priorities and makes an initial budget request to the City Manager. Following an extensive review of these requests, the City Manager meets with each department separately and prioritizes each department's individual budget requests in the context of the overall City budget.

In May, the City Manager transmits the proposed two-year budget to the City Council for review. Budget hearings are then held for the benefit of the public and City Council. During these budget hearings, staff makes presentations highlighting the major budgetary issues facing the City and responds to questions and concerns raised by the public and Council. The proposed budget is made available for public review and a formal public hearing is scheduled prior to adoption in order to provide the public an additional opportunity to comment on the proposed budget.

As set forth in the City Charter, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members. In order to retain the integrity of the two-year budget process, any budget amendments brought forward during the first year of the budget also include amendments to the second fiscal year budget as needed. Prior to the second year of the two-year cycle, minor adjustments are made to the spending plan to account for unforeseeable circumstances such as changes in utility

BUDGET CALENDAR

January – Council goal setting workshop, revenue and expenditure projections prepared by departments and Finance, development of baseline budget

February & March – Budget kickoff meeting, departments prepare and submit budget requests to City Manager's Office

April & May – Review of department budget requests and development of City Manager's proposed budget

May 26th – Budget is submitted to Council per City Charter

June – Public budget hearings and adoption of final budget

rates or increases in insurance premiums. The proposed budget for the second fiscal year is then submitted to the City Council for review. Another round of budget hearings are held, followed by a formal public hearing and adoption of the budget.

Throughout the two-year cycle the Finance Department provides Council with quarterly fiscal status reports comparing expenditure and revenue projections to budgeted amounts, as amended throughout the year, highlighting any variances. Five year revenue and expenditure projections are also updated quarterly to account for changes in economic conditions and budget amendments.

Budget Milestones

- **February 15, 2005**
Baseline budget and budget instructions are made available to departments. Departments begin process of developing departmental budget requests for review by the City Manager.
- **May 26, 2005**
As required by City Charter, the budget is submitted to the City Council by the City Manager at least thirty-five days prior to the beginning of the fiscal year. Copies of the proposed budget are also made available for inspection by the public in the Office of the City Clerk; as required by City Charter these copies are available at least ten days prior to the public hearings.
- **June 2nd, 7th, and 14th 2005**
Public hearings are held that focus on program discussions centered on the Council's strategic themes. A fiscal overview and summary of changes are also presented. In compliance with the City Charter, a notice of these meetings is published in the local newspaper at least ten days prior to the public hearings.
- **June 21, 2005**
A public hearing is held prior to the adoption of the budget in order to give residents another opportunity to participate in the budget process. As required by City Charter the budget is adopted by the affirmative votes of at least three Council Members.

City Council Strategic Themes

As part of the development of the fiscal year 2004 and 2005 budget, City Council participated in a strategic planning workshop to establish a set of broad strategic themes. These themes are long-term, broad and directional in nature and provide staff with the foundation for aligning citywide programs and resources with Council priorities. These same five themes were used to determine the funding priorities for the fiscal year 2006 and 2007 budget.



Connected, Balanced, and Cohesive Community

Foster a positive and shared community identity; encourage and value public participation; improve citywide mobility; and promote a balanced mix of housing, shopping, and employment opportunities.



Strong and Safe Neighborhoods

Ensure our neighborhoods and business districts are safe and appealing places to live, work, shop, and visit.



Diverse Cultural, Educational, and Recreational Opportunities

Provide a wide-range of cultural, educational, recreational, and economic opportunities that meet the needs and interests of our diverse community.



Economic Development

Foster a positive business climate that attracts new businesses, creates a broad range of employment opportunities, and revitalizes the downtown area.



Cost Effective Government and Fiscal Stability

Focus on achieving results for our citizens by providing exemplary services at competitive prices; balance short-term operational needs with long-term strategic goals; and enhance long-range financial planning to ensure fiscal sustainability.

Achieving Results for Our Citizens

Over the past year there has been an increased focus citywide on strategic planning and performance measurement. The end result will be an integrated system of strategic planning, budgeting, and performance measurement that focuses all levels of the organization on the singular purpose – achieving results for our citizens. Weidner Consulting, Inc was selected to develop strategic business plans for City departments that enable government organizations and leaders to make improved business decisions, link budgets to performance, produce and be accountable for results, and tell their story of accomplishments and challenges to their community and stakeholders.

In fiscal year 2005 the Fire, Police, General Services, Finance, Community Development, and Communications departments all developed strategic business plans and are working to ensure that Managing for Results model is successfully implemented in their departments. The Managing for Results process is a fully

integrated management system that supports an organizational culture focused on results for customers. The Library, Recreation, and Planning & Building Departments also have strategic business plans in place to help focus their long-term visions and daily activities on achieving results for their customers.

Well-managed organizations have the basic components of a management system: Planning, Employee Evaluation, Budgeting, Data Collection, Reporting, Evaluation, and Decision Making. MFR integrates those components into an information-rich decision making process where planning and performance and budgeting are one process instead of several.

The Strategic Business Plan that results from this process provides both a strategic and operational perspective. The strategic elements of the plan include Issue Statements that are derived from small workshops that involve most if not all members of the department. The issue statements are developed through a review of the emerging issues and trends that will impact the department and its customers over the next two to five years. These issues are then summarized into a few concise statements, called Issue Statements that identify the critical issues that must be addressed and the impact on both the department and the Chula Vista community.

The other elements of the strategic portion of the plan are the Strategic Goals and Mission Statement. The Strategic Goals identify the measurable results that the department must accomplish over the next two to five years in order to address the Issue Statements. These goals represents a significant effort by the department to successfully address the issue statements and are expressed in clear, concrete terms so that our citizens can understand what the department intends to produce in terms of results that matter. Finally, a concise statement of purpose is developed to serve as the departments mission statement.



From an operational perspective, the strategic business plan is organized around results and is illustrated in the three levels of operations—Lines of Business, Programs, and Products—achieving practical, rather than theoretical, results. These levels permit agencies to provide a “mapping” of operations that is easy for external customers and stakeholders to access and understand, providing both an executive overview—at the Line of Business level—and a “nuts-and-bolts,” operational view at the Program and Services level. Performance measures are integrated at each of these levels allowing the department to assess the progress each program is making towards achieving the departmental strategic goals and the overall performance of the program.

Governmental Fund Accounting

The City of Chula Vista’s budget provides an overview of the fiscal and operational status of the City; highlighting policy issues, decisions and proposed changes in service levels. The budget is comprised of a series of funds used to account for revenues and expenditures. These funds are generally classified as governmental or proprietary funds.

Governmental funds include activities associated with the operations of the City such as the provision of library, recreation, development and public safety services. Special revenue funds, capital project funds, debt service funds and the City’s general fund are governmental funds.

Proprietary funds are used to account for activities often found in the private sector including enterprise funds and internal service funds. Operation of the City’s transit system is accounted for as an enterprise fund. Examples of functions accounted for by internal service funds include fleet management, technology replacement and worker’s compensation.

Details about each of these funds can be found in Volume II • Operating Budget, which is organized by fund group. Each fund is considered an autonomous accounting entity. Funds are used to separate the various financial activities of the City and to demonstrate compliance with specific regulations, restrictions or limitations. This may include demonstrating that restricted revenues are spent only for allowed purposes.

About Your Local Government

The City of Chula Vista is a charter city that operates under the council-manager form of government. The City Council, comprised of four Council Members and the Mayor, serve as the governing body of the City; all members are elected from the city at-large for staggered four-year terms. The City Council appoints a City Manager, City



Attorney and City Clerk. The City Manager serves as the chief administrator and is responsible for carrying out the City Council's general policies.

Organizationally the City is comprised of 17 departments, which are organized around four major service categories (see organization chart on page ix):

- Culture and Leisure Services,
- Development and Maintenance Services,
- Legislative and Administrative Services, and
- Public Safety Services.

The City Council also appoints members of the community to the City's 21 active boards, commissions, and committees. These valuable groups provide public input and facilitate quality decision-making. Members of these boards, commissions, and committees are limited to two consecutive four-year terms. All board, commission, and committee members serve with no monetary compensation.

If you would like more information about City services please visit the City's Web site at www.chulavistaca.gov

About Chula Vista



The City of Chula Vista is one of a few communities in the San Diego region that has maintained, and is projected to continue to maintain, a steady rate of population and economic growth. Covering more than 33,000 acres, from San Diego Bay to the San Miguel

Mountains, Chula Vista is 7 miles from the busiest international border crossing in the world and 7 miles from downtown San Diego. Since its incorporation in 1911, the City's population has grown to nearly 220,000¹ residents and is expected to reach 300,000² by the year 2030.

¹ Population is based on City of Chula Vista Department of Planning and Building estimate as of May 1, 2005.

² Population estimate assumes the adoption of the General Plan and represents the population within the existing City boundaries.

The health of Chula Vista's economy is based on its diversification. Rated one of California's best cities for business by *California CEO* magazine, the city is home to the American corporate headquarters of DNP Electronics, which also has manufacturing on site, Hitachi Home Electronics, manufacturing facilities such as Raytheon, and Goodrich as well as research and development facilities such as the Leviton facility in eastern Chula Vista. The City has a growing auto mall with an existing Chevrolet, Ford and Honda dealerships that will soon to be joined Toyota, Chrysler, Dodge and Jeep.

The addition of retail operators such as Lowe's, Target, Wal-Mart, and Home Depot in eastern Chula Vista will provide goods and services for new homeowners. Tourism also plays a role in the city's economic base, benefiting from attractions such as Knott's Soak City USA, the 20,000-seat Coors Amphitheatre, the Olympic Training Center and the Chula Vista Nature Center.

Chula Vista combines older, well-established neighborhoods with award-winning master planned communities, a quaint village downtown and broad expansion opportunities to the east. We are home to a wide spectrum of residential housing opportunities, with the median price of a single-family home reported to be \$570,000. More than half of the City's housing (62%) is made up of single-family homes. Chula Vista's median family income is reported to be \$51,729, and 30% of the families here report an annual income of at least \$75,000.

All major economy-driven revenues continue to trend upward, including property tax revenues and sales tax revenues. For the ten-year period between 1995-2004, Chula Vista's sales tax revenues grew approximately 78%. During fiscal years 2006 and 2007, sales tax revenues are estimated to increase by approximately 12% and 16% respectively due to the continued opening of several new commercial centers in the eastern section of the City.

Property tax revenues also continued to grow at historically high rates during the past few years. Property tax revenues are projected to increase by 16% and 18% in fiscal year 2006 and 2007 respectively. As stated in the San Diego Regional Chamber of Commerce Economic Bulletin 2004 Forecast, "The relative strength of the local

"The relative strength of the local economy, low interest rates, and continued undersupply of housing versus household growth, continued to fuel San Diego's housing appreciation."

economy, low interest rates, and continued undersupply of housing versus household growth, continued to fuel San Diego's housing appreciation." Both new construction and resale activities contribute significantly to property tax revenues.

Assuming no dramatic, external changes, the City can look forward to continued economic health and growth throughout the coming fiscal year.

Chula Vista At a Glance

General Information

Incorporated 1911
 Government Council/Manager
 Bond Rating A

Population

Population 217,543
 Median Age 33.0

Population by Ethnic Group

Hispanic 49.9%
 White 29.4%
 Asian/Other 16.4%
 Black 4.3%

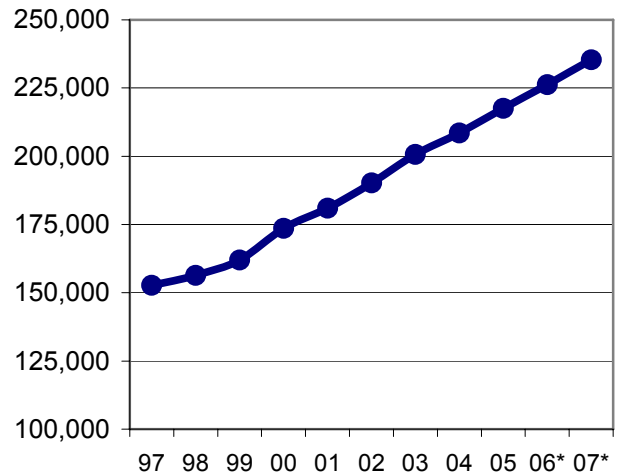
Principal Employers

Goodrich Aerospace..... 1,922
 City of Chula Vista 1,227
 Sharp C.V. Medical Center..... 1,221
 Scripps Memorial Hospital 865
 United Parcel Service..... 649
 Sears Roebuck & Co..... 340
 ATC Vancom of California LP 284
 Costco Wholesale Corp #405..... 281
 Costco Wholesale Corp #460..... 275
 Wal Mart..... 250
 Home Depot 245

Educational Attainment³

Less than 9th grade 9.8%
 9th to 12th grade, no diploma 11.7%
 High School, graduate..... 22.3%
 Some College, no degree..... 25.7%
 Associate Degree 8.2%
 Bachelor' s Degree..... 15.0%
 Graduate or professional degree... 7.2%

Chula Vista Population



Note: The 1997 – 2005 population figures are for January 1st of the fiscal year. The 2006 and 2007 population estimates assume a growth rate of approximately 4%.

Source: California Department of Finance

Elementary Schools

Chula Vista Elementary School District
www.cvesd.k12.ca.us

(619) 425-9600

Number of Schools 42

Projected Enrollment..... 26,051

Pupil/Teacher Ratio

Kindergarten – 3rd grade 20:1

Grades 4 - 6..... 31:1

Secondary Schools

Sweetwater Union High School District
www.suhsd.k12.ca.us

(619) 691-5500

Number of Schools: 6 middle, 1 junior,
 and 7 high schools

Projected Enrollment..... 40,454

Pupil/Teacher Ratio 22:1

³ Educational Attainment is based on population 25 years and over

Housing

Housing Units	69,701
Persons Per Household	2.98
Vacancy Rate	3.07%

Housing Type

Single Family	44,730
Multiple Family	23,314
Mobile Homes	3,798

Household Income

Median Household Income..	\$51,729
Under \$15,000	10.4%
\$15,000 - \$29,999	15.9%
\$30,000 – 44,999	17.3%
\$45,000 - \$59,999	14.2%
\$60,000 - \$74,999	12.5%
\$75,000 - \$99,999	13.4%
\$100,000 - \$199,999	14.6%
\$200,000 and over	1.7%

Construction Permits

Fiscal Year 1998	3,220
Fiscal Year 1999	4,010
Fiscal Year 2000	4,874
Fiscal Year 2001	5,671
Fiscal Year 2002	5,267
Fiscal Year 2003	6,557
Fiscal Year 2004	6,951

Public Safety⁴

Fire Uniform Strength.....	121
Fire Stations.....	8
Priority Fire Calls For Service	8,420
Police Uniform Strength	231
Priority Police Calls for Service ..	26,117

Community Facilities

Acres of Developed Parks	411.3
Total Number of Parks	46
Libraries	3
Recreation Facilities.....	9

Source:

San Diego Association of Governments;
California Department of Finance

4 Call for service data is for fiscal year 2004

Frequently Asked Questions

1. How can I reach the Mayor?

To contact **Mayor Stephen C. Padilla** please call (619) 691-5044, or fax (619) 476-5379. He can also be reached by e-mail at spadilla@ci.chula-vista.ca.us

2. How can I reach the City Council?

To contact **Deputy Mayor Patty Davis** please call (619) 691-5044, or fax (619) 476-5379. She can also be reached by e-mail at pdavis@ci.chula-vista.ca.us

To contact **Council Member Steve Castaneda** please call (619) 691-5044, or fax (619) 476-5379. She can also be reached by e-mail at scastaneda@ci.chula-vista.ca.us

To contact **Council Member John McCann** please call (619) 691-5044, or fax (619) 476-5379. He can also be reached by e-mail at jmccann@ci.chula-vista.ca.us

To contact **Council Member Jerry Rindone** please call (619) 691-5044, or fax (619) 476-5379. He can also be reached by e-mail at jrindone@ci.chula-vista.ca.us

3. How can I reach the City Manager?

To contact **City Manager David D. Rowlands, Jr.** please call (619) 691-5031, or fax (619) 409-5884. He can also be reached by e-mail at drowlands@ci.chula-vista.ca.us

4. Where can I find more information about the City of Chula Vista?

You can find more information about the City and City services at the City Web site: <http://www.chulavistaca.gov>

5. How can I learn more about the City's budget and participate in the budget process?

You can learn more about the City's budget and participate in the decision making process by:

- Attending the budget public hearings. This year several public hearings will be held to discuss the direction of programs and initiatives, and to present a fiscal overview.
- Requesting a copy of the budget from the Office of Budget and Analysis or by downloading a copy from the City's Web site, <http://www.chulavistaca.gov>
- Attending City Council Meetings, which are held at 4:00 p.m. on the first Tuesday of the month and at 6:00 p.m. on the second, third, and fourth Tuesdays of the month in Council Chambers. The city council agenda is available for review at the Chula Vista Civic Center Library.

6. How can I contact the Office of Budget and Analysis?

The Office of Budget and Analysis is responsible for coordinating, preparing and presenting the City's operating budget. To contact the Office of Budget and Analysis please call (619) 691-5049.

7. How can I serve on a City board, commission, or committee?

To be eligible to serve on a board, commission or committee, you must be a qualified elector of the City of Chula Vista (exception: The City Council may, with a four/fifths vote, appoint non-electors of the City to boards and commissions which are advisory only and whose duties involve regional issues - City Charter section 602d). For specific statutory provisions, please refer to the Municipal Code and the City Charter. If you are interested in serving on a City board or commission, please contact the City Clerk or visit the City's Web site.

